

Origins of the Japanese-American War

A Conflict of Free Trade vs. Autarchy

[Kerry R. Bolton](#)

One important, but often overlooked element of the causes of the Second World War is economics. In fact, it may be said that World War II was a conflict between two systems of economy: free trade, or what is today called globalization, and autarchy, or the economic self-sufficiency of states or more commonly trading blocs, including empires.

As noted in my article “The Myth of the Big Business-Nazi Axis,” even Reich finance minister Schacht, a mole within the Third Reich in the service of the world banking cabal, commented that antagonism towards Germany was significantly prompted by Germany’s autarchic economic policy, with a trade policy based on barter. The Bank of International Settlements at the time was noting that this autarchic system of trade was becoming a world trend.^{[1](#)}

Japan, Italy and Germany all followed similar banking, economic and trade policies. The Bank of Japan was reorganized as a state bank in 1932, although since its founding in 1882 the Imperial House had been the major shareholder. The Bank of Japan Law was modeled on the 1939 *Reichsbank* Act. Japan experienced extraordinary economic growth.^{[2](#)}

These states, which became known as the Axis, formed an Anticomintern Pact aimed at Communism and the USSR. Far more historically significant, especially in terms of the reasons for the war against the Axis, however, was that these states and their allies represented much more than anti-Bolshevism; they were an Axis against usury.

While the democracies stagnated, and Roosevelt’s much-touted New Deal was unsuccessful until the stimulus of war production, the Axis states, and indeed a few democracies such as Sweden and New Zealand that had also utilized state credit at least to some extent prospered, while much of the rest of the world was stagnating at best. Underdeveloped states from Europe to South America, began entering into mutually beneficial bilateral trade agreements with Germany outside of the international banking system. Pretexts for war were required against the Axis states, like the pretexts that have been used in our own era against Milosevic’s Serbia, Saddam’s Iraq and others, that have similarly in some manner gotten in the way of the international economic system. With Germany the issue was a territorial dispute with Poland; with Japan, one with China.

Sino-Japanese Conflict since the 19th Century

The history of Sino-Japanese antagonism is of long duration, and historically the allegation of Japan’s sole war guilt is unjustified. Japan found herself in the same predicament from the 1930s as today’s states that obstruct what is now called “globalization.” The consequences were similar: first, demonization and moral outrage in world forums; second, economic embargoes; and third, war, culminating in the atomic bombing of Hiroshima and Nagasaki.

The First Sino-Japanese War goes back to 1894-95, over the position of Korea. This shows that the Japanese interest in Korea was by no means a simplistic, unjustified question of territorial expansionism.

Japan's interest was not so much to enslave Korea as to ensure, to the contrary, that Korea was not going to be annexed by China.

As a matter of geopolitical strategy, the foreign-policy adviser to the Imperial Japanese Army General Staff, Major Klemens Meckel, warned that Korea was "a dagger pointed at the heart of Japan."³ The Chinese emperor traditionally held the view that he was the center of the world and all others derived their power from him. China's relations with neighboring states were based on their tribute to the Emperor. The incursion of British and other western powers from the mid-19th century undermined that outlook, as the Chinese emperor was obliged to accept a number of treaties opening China up to foreign trade. This resulted in the annexation by imperial powers of formerly Chinese tributaries such as Vietnam (France), Nepal and Upper Burma (Britain), and parts of Siberia (Russia). Japan was belatedly following a path in foreign policy that had already been taken by western powers and one that had for centuries previously been followed by China.

Korea was rich in coal and iron ore and had a good agricultural base. After conflicts with Korean isolationists, the Japan-Korea Treaty of 1876 was imposed, but this was part of a process that again involved the western powers, as they too sought to open Korea up to trade, after the accession of Queen Min, who abruptly closed Korea off from outside influences. There had during the 1860s already been conflict between Korea and France, which had occupied Ganghwa Island in 1866, and the USA in 1871. When a small boat launched from the Scottish-built Japanese gunboat *Un'yō Maru*,⁴ was fired upon from the Korean fortress, the *Un'yō Maru* effectively responded.

In 1882 an uprising took place in which Japanese military instructors, diplomats, policemen and students were killed and the legation was attacked. Japan intervened. The Donghak Peasant Revolt took place in 1894, resulting in the Korean government asking for Chinese assistance. In response, Japan landed 6,000 troops in Incheon, Korea to confront Chinese troops, resulting in the first Sino-Japanese War. This obliged China to end its suzerainty over Korea under the Treaty of Shimonoseki. The Treaty also gave Japan control over the Penghu Islands, Taiwan, and part of Liaodong Peninsula, and opened up Shashi, Chungking, Soochow, and Hangchow in China to Japan. Japan stated in her declaration of war on China over the Korea issue:

Korea is an independent State. She was first introduced into the family of nations by the advice and guidance of Japan. It has, however, been China's habit to designate Korea as her dependency, and both openly and secretly to interfere with her domestic affairs. At the time of the recent insurrection in Korea, China dispatched troops thither, alleging that her purpose was to afford a succor to her dependent State. We, in virtue of the treaty concluded with Korea in 1882, and looking to possible emergencies, caused a military force to be sent to that country.

Wishing to procure for Korea freedom from the calamity of perpetual disturbance, and thereby to maintain the peace of the East in general, Japan invited China's co-operation for the accomplishment of the object. But China, advancing various pretexts, declined Japan's proposal. Thereupon Japan advised Korea to reform her administration so that order and tranquility might be preserved at home, and so that the country might be able to discharge the responsibilities and duties of an independent State abroad. Korea has already consented to undertake the task. But China has secretly and insidiously endeavored to circumvent and to thwart Japan's purpose. She has further procrastinated and endeavored to make warlike preparations both on land and at sea. When those preparations were completed she not only sent large reinforcements to Korea, with a view to the forcible attainment of her

*ambitious designs, but even carried her arbitrariness and insolence to the extent of opening fire upon our ships in Korean waters. China's plain object is to make it uncertain where the responsibility resides of preserving peace and order in Korea, and not only to weaken the position of that state in the family of nations—a position obtained for Korea through Japan's efforts—but also to obscure the significance of the treaties recognizing and confirming that position. Such conduct on the part of China is not only a direct injury to the rights and interests of this Empire, but also a menace to the permanent peace and tranquility of the Orient. Judging from her actions it must be concluded that China from the beginning has been bent upon sacrificing peace to the attainment of her sinister object. In this situation, ardent as our wish is to promote the prestige of the country abroad by strictly peaceful methods, we find it impossible to avoid a formal declaration of war against China. It is our earnest wish that, by the loyalty and valor of our faithful subjects, peace may soon be permanently restored and the glory of the Empire be augmented and completed.*⁵

China, for its part, responded that Korea had for centuries been a tributary state of China, and China would undertake whatever action was necessary in putting down what it said were frequent insurrections.⁶ As can be deduced, not much has changed in regard to China's high-handed attitude towards its neighbors; in particular its territorial demands on India, Vietnam, Japan, the Philippines and others.

Since the mid-19th century, Japan herself was also subjected to encroachments by the western powers, including the USA. Japan asserted her own self-determination by eliminating Chinese domination. The Korean Peninsula and Mainland China were Japan's means for self-determination at a time when the imperial interests of the western powers spread over the globe.



Japanese soldiers stand beside a loaded horse during the Russo-Japanese war in 1904 or 1905. Public domain, via Wikimedia Commons

Russia and the “Triple Intervention”

The western powers already saw Japan’s rise in the region as a threat and demanded that Japan withdraw its claim over Liaodong Peninsula because it included Lüshun Port (Port Arthur), where both Germany and Russia had ambitions. Japan duly withdrew its claim in November 1895. Russia soon moved in and started construction of a railway from Harbin to Port Arthur, despite the protests of China. Germany, France and Britain extended their interests in China. This was the so-called “Triple Intervention,” which had a major role in determining Japan’s future course, as the western powers had shown that military intervention was the primary means of securing their interests. In particular, Japan regarded the Russian presence in Manchuria as an incursion into her sphere of influence. In 1898 Russia had also acquired concessions in Korea in forestry and mining near the Yalu and Tumen rivers.

The Russo-Japanese War of 1904-1905 followed Russia’s refusal to recognize Japan’s sphere of interests over Korea in exchange for Japan’s recognition of Russia’s interests in Manchuria. Japan attacked Port Arthur as a consequence of failed negotiations. The Japanese victory resulted in Russia’s departure from Manchuria, the signing of its leasehold of Port Arthur over to Japan, and the ceding of the southern half of Sakhalin Island.⁷ There was widespread discontent in Japan in the belief that the peace terms had not gained enough relative to the sacrifices; in particular, settling for half of Sakhalin Island, due to U.S. pressure.

In 1910, Japan annexed the Kingdom of Korea, which had been a Japanese protectorate since 1905, in accordance with international law, and supported by Britain, an ally of Japan’s through the Anglo-Japanese Alliance of 1902. Korea had been under Chinese control until the Japan-Korea Treaty of 1876 displaced China. The Second World War resulted in the Japanese drawing on Korea for labor. By 1939, nearly a million Koreans were already living in Japan. By 1945, there were about two million Koreans in Japan. Many chose to remain in Japan after the war.⁸

China and the USA

With the outbreak of the First World War, Japan attempted to consolidate her position in Manchuria. From this early period, the USA considered a Japanese influence in China to be detrimental to U.S. interests. Edward T. Williams, American *chargé d’affaires* in Peking, in a letter to the U.S. Secretary of State William Jennings Bryan, stated that since the USA was not, at that time, embroiled in the war in Europe, it was the only power able to resist Japanese influences in China, although Japan was fighting with the Allies against Germany, while the USA was not, and indeed had been asked by Britain to take action against German interests in China.⁹

The USA from the start wished to limit Japan’s actions against Germany in China¹⁰ so as to curtail Japanese influence during the post-war era. That is to say, the USA aimed to keep Japan out of China, fearing for its own commercial interests. While U.S. Secretary of State Robert Lansing argued that the USA should recognize that Japan had special interests in China, President Wilson and Bryan were intransigent.¹¹ The primary objection to Japanese negotiations with China was the Japanese insistence that China accept Japanese advisers and buy Japanese munitions. The USA sought, like Britain during the negotiations between Germany and Poland in 1939, to interfere; and as in Europe in 1939 regarding

negotiations between Poland and Germany, the interference of the USA led to a suddenly intransigent attitude by China towards Japan. For her part, Japan was suspicious that the USA would establish a naval presence at Fukien, near Formosa (Taiwan), citing a suggestion in 1900 by U.S. Secretary of State John Hays that the USA develop a harbor at Fukien, and again the more recent negotiations between China and the Bethlehem Steel Company for such a harbor.

There was indeed a close relationship between Bethlehem Steel and the U.S. Navy, and between the corporation and U.S. economic expansion. In 1911, China and Bethlehem Steel concluded a contract that involved U.S. Navy personnel and logistics for the expansion of the Chinese navy, which included the building of warships, the “neutralization” of the Manchurian railways, and the control of China’s finances and economy by U.S. banking interests and loans.¹² Clearly, from the early 20th century, the USA and major industrial and banking interests aimed to secure *de facto* control of China. The USA’s condemnation of Japan for asserting her interests in China was just rhetoric of the type that continues to be the basis of the USA’s justification for wars around the world.

With the entry of the USA into the European war in 1917, its demands on Japan became impotent; China accepted most of the conditions of the Japanese, and the USA recognized Japan’s “special interests” in China.

President Woodrow S. Wilson’s globalist manifesto, the “Fourteen Points” for the reorganization of the post-war world, was predicated, like the “Atlantic Charter” of Franklin D. Roosevelt during World War II, on international free trade; and free trade was, as the “Atlantic Charter” states, a major war aim against the Axis.



Woodrow Wilson's image on a \$100,000 bill circa 1934. Public domain, via Wikimedia Commons

The world wars, from the U.S. viewpoint, were fought to make the world safe for free trade. Empires were passé. Free trade had functioned from the mid-19th century, between the Empires, on the concept of the “open door” policy, which was supposed to divide “fair shares” of commercial interests among the colonial powers (including the USA), over China, Japan, Korea and other Asian states. The latecomers in the 19th-century colonial scramble were Japan, Italy, and Germany.. Since being opened up to the world by the USA from the mid-19th century, Japan sought to look after her own interests in Asia.

The colonial powers, including the USA and in particular Britain, had been willing to accept a role for Japan, when she had participated in suppressing the 1899-1901 Boxer Rebellion against foreign interests in China. At that event, the colonial powers invaded China without compunction, to assert their commercial interests. The subsequent slandering of Japan, or any other Axis state, in regard to “wars of aggression,” is therefore nothing other than a moral façade in the pursuit of political objectives. Japan was a late entrant into the colonial scramble, and was confronting other imperial interests that attempted to keep her out.

Autarchy

What was different about the imperialism of Japan, and indeed of the other main Axis states, Germany and Italy, was that each developed a new conception of “empire.” They rejected the “free trade” policies that the USA and England sought to impose upon the world, then called the “open door” policy; today called “globalization.”¹³ President Woodrow Wilson aimed to impose a new world order via the League of Nations, and the predicate was to be free trade;¹⁴ that is, the same war aims of the USA and its allies today. Point 3 of the Wilsonian manifesto reads:

*The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.*¹⁵

Further, the former concept of “empire” would be eliminated:

*A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined.*¹⁶

The rhetoric should be familiar today in regard to that used by the USA to impose its global hegemony in the name of “freedom.” The “Atlantic Charter” of 1941, laying down conditions for the post-war world at a time when the USA was not even one of the belligerent states, was much the same as the “Fourteen Points,” as will be seen.

The Axis states, including Japan, developed quite another view of empire, which was one of *autarchy*, or self-sufficient trading blocs, as distinct from the “open door” of the 19th century or the Wilsonian internationalism of the 20th. The self-sufficiency of these new blocs was based on state regulation and control of the economy, including trade, prices and banking.

The corporatist structure of the economy starting from the 1930s, subordinated private interests to national interests. Morck and Nakamura describe the corporate restructuring of the Japanese economy, stating that the *Kikakuin*, or Planning Agency, was established in 1937. This subjected business decisions to state approval, and subsequently set dividends and appointed managers.¹⁷ It was hence similar to the system in Germany where dividends were limited to 6% after which they had to be reinvested, and where managers were subjected to state approval and regulation.¹⁸ In 1940 the State Planning Ministry stated in its “Outline of the Establishment of a New Economic System,” that firms would be “set free from the control of shareholders,” and would produce according to state requirements conveyed through Industry Control Boards, or *Toseikai*. Banks were also brought under the control of the *Toseikai*.¹⁹

Following the decade of the 1920s, where there were serious problems with the Japanese banking sector, Japan left the gold standard in December 1937, and embarked on a vast public works program, which stimulated the economy. This was financed by state bonds sold to private banks through the Bank of Japan.²⁰ Again the system was similar to that of Germany and Italy. State banks, such as the Industrial Bank of Japan, also became the primary shareholders in many industries.

Bilateral trade was established within what became the Greater East Asia Co-Prosperity Sphere, wherein “Japan was dependent on its colonies for supplies of food and raw materials. In return Japan exported manufactured products to them.”²¹ Such a system was operating successfully also under German leadership, from Europe to South America.

Greater East Asia Co-Prosperity Sphere

The Japanese concept of imperial autarchy was the “Greater East Asia Co-Prosperity Sphere.” There continues to be much nonsense written and spoken about this, such as the ongoing gratitude of Australians and New Zealanders towards the USA that “saved us” from working in rice paddies and speaking Japanese under Nippon slave-masters.

It is erroneous to assume that the Japanese wartime government spoke with one mind as to war aims. These aims also changed with the contingencies of war. However, several Japanese think tanks assumed the task of devising blueprints for the Asian bloc that Japan sought. The creation of this bloc included not only the exclusion of the USA and European colonial powers from Asia, but the granting of independence to Asian states within this bloc. In November 1943, Tokyo hosted the Greater East Asia Conference, where approximately fifty nationalist leaders from throughout Southeast Asia were invited to attend. Among these were Subhas Chandra Bose, head of the Free Indian Provisional Government, who remains a hero of Indian independence; Dr. Ba Maw of the Sinyetha Party, Burma; Wang Ch’ing-wei, head of the administration in Nanking, China; and President José Laurel of the Philippines, expressing their appreciation for Japanese support.²²

1943 also marked a determination by Japan to form national armies. The training of these, and in particular, the officer corps, provided the basis for the militaries of states throughout post-colonial Southeast Asia. The most significant of these armies were the Indian National Army, the Burma Independence Army, and *Peta* in Java.²³

While there remains much moralizing about “collaborators,” one might also question the motives of those who “collaborated” with the Allies, such as the murderous partisans in France, Greece, Yugoslavia and elsewhere; Dr. Joyce Lebra, a specialist on the subject, writes:

*The stigma to those who collaborated was in part engendered by returning Western colonial powers. The ambivalence of the position of those who opted to remain in their Japanese-occupied homelands was generally acknowledged with empathy both by those nationalists who left and those who remained. There was no universal stigma of collaboration in the eyes of most Southeast Asians. Many who held office under Japanese occupation have on the contrary been hailed as heroes by their compatriots. Subhas Chandra Bose, Aung San, Ne Win, Sukarno and Suharto have been acclaimed as real patriots and revolutionaries against Western rule.*²⁴

Limited Sphere

The extent of the projected Greater East Asia Co-Prosperity Sphere was limited. It did not include India, which was regarded as impossible to occupy and govern, despite the encouragement given to the independence movement. The Asian new order was only intended to reach as far as the Indo-Burma border, including only a portion of Burma,²⁵ although many policy analysts and military leaders assumed that Burma would be included. On July 26, 1940, a joint Army-Navy policy document was issued, "Outline of the Policy to Cope with the World Situation." This envisaged "a self-sufficient economic structure based on a nucleus composed of Japan, Manchukuo [Manchuria] and China, with the incorporation of the Southern Area east of India, and north of Australia and New Zealand."²⁶

That Japan's intentions for the "Co-Prosperity Sphere" were limited, and that there was a genuine intention of granting independence to states within the bloc is indicated by Japan's policy towards Burma. There was a consensus among the high command that the occupation of Burma should be limited, and based on strategic considerations in regard to Britain and China, the latter in order to maintain a blockade. A War Ministry policy review in 1941 recommended "only limited occupation of part of southern Burma initially, and later capture of strategic positions as the war situation required."²⁷ In February 1942, the month following the Japanese invasion of Burma, the Total War Research Institute issued a report entitled "Establishment of East Asia; Maneuvers for the First Period of Total War," stating:

*Strict military administration will be established in Burma as it is expected to be adjacent to the front for quite a long period. However, the existence of the Burmese' own administrative organ will be recognized and this under our guidance will become the nucleus of an independent government in the future.*²⁸

The report indicates that the Japanese intention of granting independence to the colonies of the European empires in East Asia was more than propaganda rhetoric. The Japanese army was under orders to cultivate trust among the Burmese to avoid premature demands for independence while the war continued.²⁹



The Japanese government-issued rupee in Burma, part of the Japanese invasion money of World War II, was issued between 1942 and 1945 by the occupying Japanese.

National Numismatic Collection, National Museum of American History [Public domain or CC BY-SA 4.0 (<http://creativecommons.org/licenses/by-sa/4.0>)], via Wikimedia Commons

When Japan ousted the Dutch from Indonesia in 1942, there was considerable enthusiasm among the Indonesians, and the nationalist leaders Sukarno and Hatta were released from prison. Sukarno, Hatta, and other nationalists staffed the “Research Institute,” established to advise the Japanese administration in Indonesia. The intentions of the institute were largely to convey the views of Indonesians to the administration.³⁰ The contingencies of war, however, necessitated restrictions on independent political activity.

The policy pursued by General Imamura Hitoshi, commander of the 16th Army that occupied Java, adhered to the “Guidelines for Occupied Areas,” that required the customs and traditions of native inhabitants to be recognized. Imamura won the respect of the Javanese as a result, and that of other Japanese commanders, despite the resistance of some younger staff subordinates. Imamura’s policy was closely examined by Tokyo, and won approval. Imamura was later transferred to the 8th Area Army, which was a considerably larger area of jurisdiction. General Muto Akira, Chief of Military Affairs, when

sent to Sumatra to assume control, stated that he would pursue the policy that had been enacted by Imamura in Java.³¹

If the policies pursued by the military were inconsistent it was due to the lack of unity of aims between the Army and Navy and among the service commanders, as well as to the vicissitudes of the war. What seems reasonable to conclude, however, is that the Japanese policy was far from being uniformly brutal and repressive, as wartime and post-war propaganda insists.

Pearl Harbor

Such was the isolationist sentiment among the American people³² that the only way President Franklin D. Roosevelt and his pro-war cabal were able to bring the USA into the war against the Axis was to provoke Japan into attacking Pearl Harbor. He pursued a belligerent policy for years, culminating in an ultimatum. There have been several theories as to the Pearl Harbor attack and whether or not the Roosevelt Administration had advance warning. The theory that Roosevelt provoked the attack was maintained by many including the president's son-in-law, Colonel Curtis B. Dall, who wrote as an inside observer on the events around his father-in-law:

The "pie" was in the sky, for sure, and the crusts of dereliction of duty manifestly in Washington. By dint of the devious maneuvering of some leading American and British politicians and others, the "pie" was rained down from the sky directly upon the unsuspecting heads of thousands of our loyal, unalerted American troops at Pearl Harbor one December morning. Over 3,800 of them died. What treason!

Fixed in my mind forever is the bizarre picture of General George Marshall reportedly riding his horse in the sunny Virginia countryside on that fateful Sunday morning. His slothful warning messages, sent over slow channels, were merely ghastly gesture, timed to arrive after the "surprise" attack, as a face-saving device.

I have often wondered if, as part of a long-range plan, FDR deliberately ignored the possibility and danger of an attack on Pearl Harbor by the approaching massive Japanese Task Force, an attack made on us almost by engraved invitation. He must have!³³

The situation was later explained to Dall when in 1967 he visited Admiral Husband E. Kimmel, naval commander at Pearl Harbor at the time of the Japanese assault. Kimmel had been unscrupulously scapegoated for the unpreparedness of Pearl Harbor for the Japanese attack. Had the American forces been alerted to the Japanese attack, which was known well in advance in Washington due to the breaking of the Japanese naval code, the Japanese Task Force was under orders from Tokyo to abort the mission.³⁴ While General George C. Marshall later claimed to be horseriding in Virginia, he was in Washington with General Short, receiving messages of imminent attack. He rejected any suggestion from Short that Pearl Harbor should be notified, saying that he would "wire Kimmel later." The wire that was sent was conveyed via Western Union commercial wire and did not indicate need for concern, arriving two hours after the attack.³⁵



Franklin D. Roosevelt and smiling staff after signing the declaration of war with Japan on 8 December 1941. By National Park Service [Public domain], via Wikimedia Commons

U.S. Ultimatum and Japan's Reply

What is of particular interest is that the ultimatum handed by U.S. Secretary of State Cordell Hull to the Japanese Ambassador to Washington, was, like the previous "Fourteen Points" of President Woodrow Wilson, and the 1941 "Atlantic Charter" of President Roosevelt, again based around the demand that international free trade must be the basis of the world economy. Nations should not have the right to impose trade restrictions or pursue an autarchic economic policy. The Hull memorandum demanded in this regard:

The Government of Japan and the Government of the United States have agreed that toward eliminating chronic political instability, preventing recurrent economic collapse, and providing a basis for peace, they will actively support and practically apply the following principles in their economic relations with each other and with other nations and peoples:

The principle of non-discrimination in international commercial relations.

The principle of international economic cooperation and abolition of extreme nationalism as expressed in excessive trade restrictions.

The principle of non-discriminatory access by all nations to raw material supplies.

The principle of full protection of the interests of consuming countries and populations as regards the operation of international commodity agreements.

The principle of establishment of such institutions and arrangements of international finance as may lend aid to the essential enterprises and the continuous development of all countries and may permit payments through processes of trade consonant with the welfare of all countries.[36](#)

The proposals were intended to impose an international economic and financial order that benefited the developed states (that is, “the consuming countries”), ensured the exploitation of raw materials by the “consuming countries” by imposing what is today called “globalization,” and ensuring that this economic globalization of the exploited states was funded via debt-finance. Doctrinally, the U.S. memorandum was the antithesis of the policies of Japan, Germany and Italy. It was intended to ensure the domination of oligarchic and plutocratic methods of banking and trade.

Section II of the Hull memorandum returns to the question of economic relations, vis-à-vis dealing with China, Japan and the European colonies; particularly French Indochina:

Such agreement would provide also that each of the Governments party to the agreement would not seek or accept preferential treatment in its trade or economic relations with Indochina and would use its influence to obtain for each of the signatories equality of treatment in trade and commerce with French Indochina.[37](#)

The preoccupation of the Hull memorandum is with free trade. To ensure that diplomatic negotiations would not continue and that the only option was for war, the Hull memorandum next demanded that Japan withdraw from Manchuria and acquiesce to the Kuomintang Government:

The Government of Japan will withdraw all military, naval, air and police forces from China and from Indochina.

The Government of the United States and the Government of Japan will not support—militarily, politically, economically—any government or regime in China other than the National Government of the Republic of China with capital temporarily at Chungking.[38](#)

In regard to the reference to Indochina by the Hull memorandum, Japan had been invited to share in the joint defense of Indochina by the French Government.[39](#) The USA was not then at war with the Axis, and it was high-handed for the USA to demand that Japan withdraw from Indochina. Japanese strategic interests in the war with China required a Japanese presence.

The Japanese reply to the Hull memorandum was handed to him by Japanese representatives in Washington on December 7, 1941. Referring to the freezing of Japanese assets by the USA, Britain, and The Netherlands, the Japanese described this “manifesting thus an obviously hostile attitude,” and that “these countries have strengthened their military preparations perfecting an encirclement of Japan, and have brought about a situation which endangers the very existence of the Empire.”[40](#)

The Japanese Government had in September made several recommendations at conciliation and compromise in regard to proposals and counterproposals, which were met by the USA with intransigence.⁴¹ On November 20, the Japanese had submitted a five-point proposal whereby Japan would withdraw from Indochina once the situation in China had become peaceful, and in the interim was prepared to remove troops from southern Indochina. In return, the USA was asked to refrain from interfering in a peaceful settlement between China and Japan and to restore commercial relations; in particular the resumption of oil imports.⁴² Japan was willing to accept an offer of the USA as intermediary between China and Japan, but had asked the USA to refrain from interfering once those negotiations were being undertaken. However:

*The American Government not only rejected the above-mentioned new proposal, but made known its intention to continue its aid to Chiang Kai-shek; and in spite of its suggestion mentioned above, withdrew the offer of the President to act as so-called "introducer" of peace between Japan and China, pleading that time was not yet ripe for it. Finally on November 26th, in an attempt to impose upon the Japanese Government those principles it has persistently maintained, the American Government made a proposal totally ignoring Japanese claims, which is a source of profound regret to the Japanese Government.*⁴³

Despite Hull's tantrum in the presence of the Japanese diplomats, and his claim that the Japanese response was replete with lies, enough is now known of U.S. diplomacy to conclude that the Roosevelt Administration was hell-bent on war, and Pearl Harbor provided the needed pretext.⁴⁴ British Prime Minister Winston Churchill commented to this effect in the House of Commons in 1942, stating that Roosevelt had promised to enter the war in the Far East even if the USA was not attacked.⁴⁵ Churchill had stated to his cabinet on August 19, 1942 that Roosevelt had told him, "he would wage war but not declare it, and that he would become more and more provocative." Roosevelt stated to Churchill that he would look for a "naval incident" to bring the USA into the war.⁴⁶

The "Japanese Note" in reply to the Hull memorandum aptly described the USA's use of rhetoric and economic pressures to impose its will upon the world; something which is by now patently obvious to much of the world. Economic warfare had been launched on Japan by the USA.

Niall Ferguson writes that U.S. policy makers believed that such would be the economic pressure on Japan that war would be unnecessary. Approximately a third of Japan's imports came from the USA, including cotton, scrap iron and oil. "Her dependence on American heavy machinery and machine tools was greater still. Even if the Americans did not intervene militarily, they had the option to choke the Japanese war machine to death, especially if they cut off oil exports." "The path to war in the Pacific was paved with economic sanctions. The Japanese-American Commercial Treaty of 1911 was abrogated in July 1939." The embargo on the export of aluminum, molybdenum, nickel, tungsten and vanadium in 1940 was intended to halt Japanese airplane production. The State Department pressured U.S. firms to stop exporting technology for the manufacture of aviation fuel. When the National Defense Act was passed in July 1940 the prohibition of the export of strategic commodities and manufactures was total. By the end of July a ban had been placed on the export of high-grade scrap iron and steel, aviation fuel, lubricating oil and the fuel blending agent tetraethyl lead. This ban was extended over the next few months to all scrap, iron and steel. In July 1941, all Japanese assets in the USA were frozen.⁴⁷

The Japanese pointed to what will today be easily recognizable as the U.S. *modus operandi* in foreign relations:

Whereas the American Government, under the principles it rigidly upholds, objects to settle international issues through military pressure, it is exercising in conjunction with Great Britain and other nations pressure by economic power. Recourse to such pressure as a means of dealing with international relations should be condemned as it is at times more inhumane than military pressure.[48](#)

The “Japanese Note” next pointed out that the USA and other European colonial powers merely wanted to maintain their colonial position in the Far East, and opposed the Japanese-led initiative for an autarchic East Asian bloc. Such an entity would pose a threat not against peace and freedom *per se*, but against the freedom of plutocracy:

It is impossible not to reach the conclusion that the American Government desires to maintain and strengthen, in coalition with Great Britain and other Powers, its dominant position it has hitherto occupied not only in China but in other areas of East Asia. It is a fact of history that the countries of East Asia for the past two hundred years or more have been compelled to observe the status quo under the Anglo-American policy of imperialistic exploitation and to sacrifice themselves to the prosperity of the two nations. The Japanese Government cannot tolerate the perpetuation of such a situation since it directly runs counter to Japan’s fundamental policy to enable all nations to enjoy each its proper place in the world.[49](#)

...Obviously it is the intention of the American Government to conspire with Great Britain and other countries to obstruct Japan's effort toward the establishment of peace through the creation of a new order in East Asia, and especially to preserve Anglo-American rights and interests by keeping Japan and China at war. This intention has been revealed clearly during the course of the present negotiation.[50](#)

The “Japanese Note” concluded by stating that further negotiations with the USA would be futile insofar as the USA was uncompromising in demanding Japanese withdrawal from China and French Indochina.

Atlantic Charter

Just how factual the Japanese analysis of American intentions was can be gauged by the principles of the “Atlantic Charter,” a statement of common objectives imposed by the USA on Britain to reorganize the post-war world before the USA had even entered the war. Point Four of the “Charter” states that Great Britain and the USA “will endeavor, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.” The Third Point states, “they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self government restored to those who have been forcibly deprived of them.”[51](#)

“The Atlantic Charter” amounts to a declaration of war against the Axis by the USA four months prior to the Japanese attack on Pearl Harbor, and to a declaration of common war aims between the USA and Great Britain. The USA made it plain that the post-war world would be one of U.S. hegemony, and that empires, whether Japanese, British, Italian, Dutch, German or French, would be replaced by a global economic and financial system. President Roosevelt’s son, Elliott, records that his father stated to Churchill:

Of course after the war, one of the preconditions of any lasting peace will have to be the greatest possible freedom of trade. No artificial barriers...”[52](#) Roosevelt stated that imperial trade agreements

would have to go, and remarked that the Third Reich's incursion into European trade had been a major cause of the war. Churchill the impotent "war horse" spoke in despair, "Mr. President, I believe you are trying to do away with the British Empire. Every idea you entertain about the structure of the post-war world demonstrates it."⁵³

Toshihiro Okubo states of the war aims that were finalized in the aftermath of the world war:

*Before the end of World War II the Allied powers had sought to create a new world order. Consequently, the United Nations was founded and the Bretton Woods Agreements (1944) created along with the IMF and IBRD and GATT was signed by 23 countries in 1948 with the aim of preventing the creation of bloc economies and liberalising international trade.*⁵⁴

The indebted and war-worn European empires were in no condition to resist U.S. demands after 1945. European colonialism was largely replaced by U.S. based financial interests, especially in Africa. However, in Southeast Asia, where the Japanese had occupied, they had established the political and military nuclei for independence. Comecon was the response of the Soviet states to this "new world order" of globalization, aiming to create an autarchic bloc in which barter again assumed a role, and the blandishments of the Marshall Aid Program were resisted.

Conclusion

Lebra writes of the lasting Japanese impact upon Southeast Asia:

*[T]he Japanese selected for special education and training especially in Burma and Indonesia segments of potential leadership which had been excluded by Western colonial regimes. In Burma, for example, political leaders imprisoned by the British, including Ne Win and Ba Maw, were released... By shunning groups which had served under the British and encouraging groups which had not, the Japanese occupation injected potent forces for social change into the Burmese political and military scene. Similar policies in Java and Sumatra dictated choosing nationalist leaders who had been imprisoned or ignored by the Dutch. ...*⁵⁵

These armies became the basis for the armies of newly independent Southeast Asian states, and Japanese staff-officer training remained the basis of the military systems. Guerrilla warfare was an innovative tactic introduced by the Japanese, which served the anti-colonialists resistance movements.⁵⁶ After the war, up to 1,000 Japanese soldiers remained in Indonesia to help fight the Dutch. The fighting élan of the Japanese was also inculcated into the Southeast Asians, based on *seishin*, or a fighting spirit regardless of the odds, self-discipline and self-reliance.⁵⁷ This élan was looked for above all other traits when the Japanese were recruiting among the native populations.⁵⁸

Japan's dream was for an autarchic East Asia bloc, and "Asia for the Asians." Her ambitions were limited to that extent, in contrast to the world-conquering ambitions of the USA and the unlimited horizons set across the world for the British Empire, or to the Communist aim of world conquest. Such trading blocs are now the norm of globalization, yet the crucial difference is that the Axis states aimed for autarchic blocs that also had cultural and even spiritual predicates. The economic blocs today are for the purpose of establishing "free-trade regions," as constituents of a global economic system. Hence, the "Pacific Rim" economic bloc that is sought by globalist interests and promoted by globalist think tanks such as The Asia Society and The Trilateral Commission must be based on free trade with the USA at the helm. The Trans-Pacific Partnership creates a bloc based on "free trade" and U.S. corporate dominance.

The globalists seek to incorporate Japan into this Asia-Pacific bloc by re-establishing the 19th-century free-trade policy of the “open door” that had been rejected after the Second World War throughout Southeast Asia and India. The economic norm has been the successful corporatist model that had been maintained by Japan both before and after the war, establishing the self-sufficient economic powerhouses of East Asia that had succeeded by rejecting free-market economics. The independent states of East Asia owe much of their post-war sovereignty, economic organization, prosperity, and political and military administrations to their Japanese experience. Even the *CIA World Factbook* acknowledged this, when referring to Korea’s economic development:

In some respects, South Korean patterns of development after the early 1960s closely followed the methodology introduced by the Japanese fifty years earlier—industrialization from above using a strong bureaucracy that formulated and implemented economic policies. Many of the developments that took place in Chosen, the Japanese name for Korea during the period of colonization, had also occurred in pre-World War II Japan; they were implementation of a strong education system and the spread of literacy; the rise of a strong, authoritarian government that combined civilian and military administration to govern the state with strict discipline; the fostering and implementation of comprehensive economic programs by the state through its control of the huge national bureaucracy; the close collaboration between government and business leaders; and the development of industries by the major Japanese zaibatsu (commercial conglomerates).⁵⁹

Japan played a role in laying the foundation for the economic prosperity of South-east Asia, Australia, New Zealand and other states that believed they were perilously close to Japanese enslavement. These states ultimately exchanged bonds with the British motherland for bonds with Wall Street. It is only in recent years, with the enactment of the free trade agreement across the region, that the plutocracies are seeing their war aims come to fruition. The hitherto prosperous nations of South-east Asia, built up through self-reliance, have been pushed into the world economic order at the behest of remote plutocratic interests.

Notes:

- 1 K. R. Bolton, “The Myth of the Big Business-Nazi Axis,” *Inconvenient History*, http://www.inconvenienthistory.com/archive/2015/volume_7/number_3/the_myth_of_the_big_business_nazi_axis.php
- 2 K. R. Bolton, *The Banking Swindle* (London: Black House Publishing, 2013), p.116.
- 3 P. Duus, *The Rise of Modern Japan* (Boston: Houghton Mifflin, 1976), p. 125.
- 4 Also the name of a Japanese escort carrier during World War II.
- 5 “Imperial Proclamation of War, Given this first day of the eighth month of the 27th year of Meiji.” See: The Russo-Japanese War Research Society, <http://www.russojapanesewar.com/>

- 6 "Chinese Proclamation of War," online: <http://www.russojapanesewar.com/chin-proc-1894.htm>
- 7 Article IX of the Treaty of Portsmouth, September 5, 1905.
- 8 Sonia Ryang, *Koreans in Japan: Critical Voices from the Margin* (London: Routledge, 2000).
- 9 Williams to Bryan, January 27, 1915, Arthur S. Link and Robert C. Hildebrand, eds., *The Papers of Woodrow Wilson*, (Princeton: Princeton University Press, 1957), Vol. 32, pp. 136-137.
- 10 Lansing memorandum to Bryan, August 7, 1914, *Papers Relating to the Foreign Policy of the United States: The Lansing Papers, 1914-1920*, (Washington: Government Printing Office, 1939-1940), Vol. 1, 2.
- 11 Lansing to Bryan, March 1, 1915, *Lansing Papers*, *ibid.*, Vol. 2, pp. 407-408.
- 12 William R. Braisted, "China, the United States Navy, and the Bethlehem Steel Company 1909-1929," *The Business History Review*, Harvard College, Vol. 42, No. 1, Spring 1968, p. 50.
- 13 While the imposition of "free trade" even by force of arms might seem a misnomer, what is referred to here is a doctrine based on the dismantling of a nation's currency, export and import controls, and other facets of a state's economy. A recent example of this is the Rambouillet Agreement, which the USA/NATO forced upon Serbia. Like the Fourteen Points and The Atlantic Charter, a demand of the "Agreement" states: Article (I) 1: "The economy of Kosovo shall function in accordance with free market principles."
- 14 Woodrow Wilson, "Fourteen Points," 1918, online: <http://www.fordham.edu/halsall/mod/1918wilson.html>
- 15 *Ibid.*, II.
- 16 *Ibid.*, V.
- 17 Professors Randall Morck of the University of Alberta School of Business, and Masao Nakamura of Sauder School of Business, University of British Columbia, in "Been There, Done That: The History of Corporate Ownership in Japan," 2nd draft, July, 2003, p. 2; <http://cei.ier.hit-u.ac.jp/news/paper/Randall%20Morck.pdf>
- 18 K. R. Bolton, "The Myth of the Big Business-Nazi Axis," *op. cit.*
- 19 Morck, *op. cit.*, p. 63.
- 20 *Ibid.*, p. 55.

- [21](#) Toshihiro Okubo, "Shake Hands, or Shake Apart? International Relationship of Japan with Global Blocs," Research Institute for Economics and Administration, Kobe University, January 2008, p. 7.
- [22](#) Joyce C. Lebra, *Japanese-Trained Armies in Southeast Asia* (Hong Kong: Heinemann Educational Books, 1977), p. 12.
- [23](#) Ibid., p. 13.
- [24](#) Ibid., p. 17.
- [25](#) Ibid., p. 20.
- [26](#) Ibid., p. 41.
- [27](#) Ibid.
- [28](#) Cited by Lebra, *ibid.*, p. 43.
- [29](#) Nobutaka Ike, *Japan's Decision for War, Records of the 1941 Policy Conferences*, p. 252; cited by Lebra, *ibid.*, p. 44.
- [30](#) Lebra, *ibid.*, p. 78.
- [31](#) Ibid., pp. 80-82.
- [32](#) See the account of the America First movement and the campaign to keep the USA out of war by George T. Eggleston, *Roosevelt, Churchill, and the World War II Opposition* (Old Greenwich, Conn.: The Devin-Adair Co., 1979).
- [33](#) Curtis D. Dall, *FDR: My Exploited Father-in-Law* (Tulsa: Christian Crusade Publications, 1968), p. 133.
- [34](#) Kimmel to Dall, *ibid.*, p. 162.
- [35](#) Ibid., p. 164.
- [36](#) "Outline of Proposed Basis for Agreement between the United States and Japan," Section I, November 26, 1941.
- [37](#) Ibid., Section II.
- [38](#) Ibid.
- [39](#) "Protocol Concerning Joint Defense and Joint Military Cooperation," July 29, 1941.
- [40](#) "Japanese Note to the United States," United States December 7, 1941, Point 2, U.S. Department of State Bulletin, Vol. V, No. 129, December 13, 1941.

- [41](#) Ibid., Point 3.
- [42](#) Ibid.
- [43](#) Ibid.
- [44](#) See for example Harry Elmer Barnes, “Pearl Harbor after a Quarter of a Century” *Left & Right: A Journal of Libertarian Thought*, Vol. IV, 1968; reprinted by Institute for Historical Review, Torrance, California, n.d., IHR Book No. 340.
- [45](#) Cited by John Charmley, *Churchill’s Grand Alliance: The Anglo-American Special Relationship 1940-57* (London: Hodder and Stoughton, 1995), p. 38.
- [46](#) Ibid., pp. 38-39.
- [47](#) Niall Ferguson, *The War of the World: Twentieth-Century Conflict and the Descent of the West* (Penguin Books, 2006), pp. 487-488.
- [48](#) “Japanese Note to the United States,” op. cit., Point 3.
- [49](#) Ibid., Point 4.
- [50](#) Ibid., Point 7.
- [51](#) Franklin D. Roosevelt, Winston S. Churchill, “The Atlantic Charter,” August 14, 1941.
- [52](#) Elliott Roosevelt, *As He Saw It* (New York: Duell, Sloan and Pearce, 1946), p. 35.
- [53](#) Ibid., p. 31.
- [54](#) Toshihiro Okubo, op. cit., p. 8.
- [55](#) Lebra, op. cit., p. 168.
- [56](#) Ibid., p. 169.
- [57](#) Ibid., p. 170.
- [58](#) Ibid.
- [59](#) “Korea, South: The Japanese Role in Korea’s Economic Development,” The Library of Congress Country Studies; *CIA World Factbook*, June 1990.

Author(s) :	Kerry R. Bolton
Title:	Origins of the Japanese-American War

Sources: *Inconvenient History*, 8(2) 2016

Dates: published: 2016-05-28, first posted: 2016-11-30 11:49:14

<http://inconvenienthistory.com/8/2/4165>